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# USSR Report

## INTERNATIONAL ECONOMIC RELATIONS

No. 62

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USSR-WORLD TRADE

SOVIET AID TO SOCIALIST STATES, LDGS VIEWED

Moscow FOREIGN TRADE in English No 6, Jun 83 pp 2-10

[Article by Ivan Kapranov, head of the Planning and Economic Department, USSR State Committee for Foreign Economic Relations: "With the Assistance of the Soviet Union"]

[Text]

In 1982 the Soviet Union rendered economic and technical assistance to 67 countries. Complete equipment was delivered for 651 projects in 50 countries. Compared with 1981 the complete equipment export increased 12.0 per cent and amounted to 2,900 million rubles.

Last year with Soviet assistance over 150 industrial enterprises, separate workshops and installations were put into operation in foreign countries.

The Soviet Union's cooperation with *the socialist countries* in 1982 just as in previous years was centered on technical assistance in developing key industries: power engineering (including atomic), metallurgy, chemical and petrochemical, construction and machine-building. A considerable volume of assistance went also on transport, communication, geological prospecting as well as projects for the light and food industries, and agriculture. In the fraternal countries last year 446 projects were under construction with USSR assistance. More than 110 of these were commissioned and the products of many of them are included in the range of the socialist countries' mutual trade turnover. In 1982 the import of these products to the USSR reached 3,700 million rubles, or about 12 per cent of the USSR's import from these countries.

In his speech at the November (1982) Plenary Meeting of the CPSU Central Committee Yu. V. Andropov, General Secretary of the CPSU Central Committee, said: "We aspire to develop further and make comradely cooperation and socialist mutual assistance among the fraternal countries more effective, including in the joint solution of scientific and technological production, transport, energy and other matters. Further joint steps are now being elaborated with the aim in view."

Our country has always attached great importance to cooperation with the fraternal countries in *power engineering* which is the basis for economic development. All in all in the current five-year-plan period (1981-1985) over 40 per cent of the volume of USSR economic and technical assistance to the socialist countries falls to the fuel and power engineering sectors (electrical power engineering, including the atomic, oil and gas extracting, coal and petroleum refining industries). Over the first two years of the current five-year-plan period the electric power stations' installed capacities in the fraternal countries have been increased by 3.4 million kW with Soviet assistance, electric power transmission lines (total length about 900 km), enterprises extracting more than 4 million tons of coal, refining 8.2 million tons of oil, etc. have been put into operation.

In *Bulgaria* in 1982 six power engineering projects were commissioned, the most important of which is the Kozloduy atomic power station. With the putting into operation of the fourth power block the second stage of expanding this station up to 1,760 thousand kW was completed. Last year it generated 10,600 million kWh which is 27 per cent of the total electric power produced in the country. At the Burgas petrochemical complex catalytic cracking installations processing 1.5 million tons of raw materials annually and vacuum hydrofining installations (productivity 2 million tons a year) were commissioned. Due to this it was possible to solve the problem of deeper petroleum refining. Four coal mines are being constructed and two open cast collieries expanded. An agreement on cooperation in conducting geological explorations for oil and gas on Bulgaria's continental shelf was signed. In *Hungary* in December 1982 at the Paks atomic power station the first power block (capacity 440 thousand kW) was put into operation. Soviet organizations rendered assistance in opening four mines (total rated capacity 8.4 million tons of coal per year). In the *GDR* at the Jänschwalde thermal power station a power block (capacity 500 thousand kW) was commissioned which completed the construction of the first stage of the station (capacity 1,000 thousand kW). Construction of the Nord atomic power station continues and equipment for the No. 5 and No. 6 power blocks was delivered. Geological explorations for oil and gas were

conducted, a new gas condensate field in the northern part of the GDR was discovered. For *Poland* the Zarnowice atomic power station (capacity 880 thousand kW) was designed. Deliveries of steam generators (capacity 650 tons of steam per hour) for two power blocks at the Polanec thermal power station were completed. A 750 kV power transmission line from Khmelnitsky atomic power station (the USSR) to the Rzeszow substation (Poland) is under construction. After the Khmelnitsky atomic power station, now being constructed in the USSR with participation of the interested CMEA member-countries, is commissioned in 1984 electricity will be transmitted along this line to Poland, Hungary, the GDR and Czechoslovakia. Equipment was delivered for developing the gas industry. *Romania* received equipment for the Galați thermal power station and the Iron Gates-II hydroelectric power station on the Danube. In September 1982 an agreement on constructing an atomic power station (capacity three million kW) in Romania was signed. Last year technological equipment for the first power block at the Bohunice V-2 atomic power station and a power block for the Dukovany atomic power station was supplied to *Czechoslovakia*. The Soviet Union will assist Czechoslovakia to construct the second stage of the Temelin atomic power station as arranged in an agreement signed in December 1982. In *Mongolia* the capital's thermal power station No. 4 (capacity 380 thousand kW)—the country's largest power engineering project—is under construction. The Choybalsan thermo-electric plant has been expanded from 24 to 36 thousand kW and the Ulan Bator thermal power station No. 3 is being expanded. The Ulan Bator-Darhan power transmission line (220 km), a power transmission line in a rural area (total length 500 km), the Baganur open-cast coal mining complex with an additional annual extraction capacity of one million tons of coal (eventually total output will amount to six million tons a year) was put into operation. The Shariyn Gol and Adunchulun open-cast coal mines were expanded. In the *Republic of Cuba* power blocks (capacity 100 thousand kW each) were commissioned at the Mariel and Rente thermal power stations; power transmission lines (total length 880 km) were erected. The Juragua atomic power station (capacity 880 thousand kW), and a petroleum refining factory in Cienfuegos are being built; two petroleum refining factories in Havana and Santiago de Cuba are being modernized. In *Vietnam* construction of the country's giant power engineering projects—the Hao Binh water engineering system on the river Black (Da) with a

hydro-power station (capacity 1,920 MW) (the damming of the river took place in January 1983) and the Falai thermal power station (capacity 660 thousand kW) progressed. The first stage of the Mongzyong coal mine (extracting capacity of 450 thousand tons of coal annually), a power transmission line (length 163 km) and several substations were put into operation. Coal mines and open-cast mines (total capacity about five million tons per year) were constructed. In the northern part of Vietnam new gas bearing levels were discovered. In Yugoslavia at the Bitola and Pljevlja thermal power stations power blocks (capacity 210 thousand kW each) were commissioned, and the construction of the Djerdap-II power plant on the Danube (216 thousand kW) was under way. The first stage of the Skopje petroleum refining installation was put into operation making it possible for Macedonia to meet its demands for residual oil, diesel fuel and primary petrol. At the Pancevo petroleum refining plant an installation for the vacuum distillation of residual oil (2.2 million tons) and a bitumen installation (100 thousand tons per year) began to function. The Titovi Rudnici and Kreka-Banovici mines extracting 4.5 million tons of coal annually were expanded. In the Korean People's Democratic Republic at the Pukch'ong thermal power station, being expanded from 1.2 up to 1.6 million kW, two power blocks (capacity 100 thousand kW each) were put into operation. Equipment for the Chongjin thermo-electric plant (capacity 150 thousand kW) and coal mines in the Anch'u region was delivered.

*The enterprises constructed with USSR assistance in 1982 produced: in Bulgaria—80 per cent of electric power and 100 per cent of oil (refining); in Hungary—refined 83 per cent of oil and processed 81 per cent of gas; in the GDR—47 per cent of electric power and 100 per cent of natural gas (extraction); in Cuba—45 per cent of electric power and all power transmission lines (220 kV) in Poland—19 per cent of electric power, 80 per cent of oil (refining); in Romania—47 per cent of electric power; in Yugoslavia—26 per cent of electric power; in Mongolia—88 per cent of electric power, 82 per cent of coal; in Vietnam—33 per cent of electric power, 79 per cent of coal; in the Korean People's Democratic Republic—64 per cent of electric power, 39 per cent of oil (refining).*

*The ferrous and non-ferrous metallurgy* is an important sphere of cooperation with the socialist countries. During the first two years of the current five-year-plan period in the fraternal countries with Soviet assistance capacities for manufacturing 1.8 million tons of steel, 700 thousand tons of commercial

rolled metal, 700 thousand tons of coke, for extracting 26 million tons of copper ore, over one million tons of lead and zinc ores and 300 thousand tons of fluor-spar were put into operation. In *Bulgaria* at the Lenin metallurgical complex in Pernik capacities for manufacturing 500 thousand tons of steel (two 100-ton electric furnaces and a continuous casting machine) were installed. The scheme of operation with the billet continuous casting machine (eliminating the intermediate blooming-slabbing link) is realized in Bulgaria for the first time and corresponds to world standards. At the L.I. Brezhnev metallurgical complex in Kremikovtsi several workshops were commissioned which intensify the blast-furnace and converter processes and increase rolled metal output. The Asarel copper-dressing complex (capacity 15 million tons) is under construction. In *Hungary* an oxygen-converter plant (capacity one million tons of steel annually) was put into operation (in July 1982 the second converter was commissioned) at the Danube metallurgical complex. A coke-oven battery (capacity one million tons of coke annually) is being constructed here. In *Czechoslovakia* blast furnaces and rolling mills at the East-Slovak metallurgical complex in Kosice are being reconstructed. Equipment for the "1400" cold rolling sheet mill at the Galați metallurgical complex was delivered to *Romania*. In *Yugoslavia* a converter (300 thousand tons of steel annually) was put into operation at the Smederevo complex, and a coke-oven battery (700 thousand tons of coke annually)—at the Zenica metallurgical complex. The Vares ore-dressing enterprise with mines extracting 300 thousand tons of lead and zinc ore per year was commissioned, as a result of which Yugoslavia substantially increased its export of lead, zinc and barytes including to the USSR. Deliveries of complete equipment for the Omarska mine (9.3 million tons of iron ore annually), a mine and the Glagovac nickel factory and other projects in this sector continued. In the *Republic of Cuba* the José Martí metallurgical enterprise is being expanded and the industrial base for the metallurgical complex (1.3 million tons of steel annually) in the Holguin province is being created. The construction of the Punta Gorda nickel works (on a compensation basis) (output 30 thousand tons of nickel and cobalt products per year) is in progress. The first stage (10 thousand tons) is planned to be put into operation this year. In *Vietnam* a tin complex in the Nghe Tinh province is being constructed (also on a compensation basis). *Laos* received equipment for restoring and putting a tin mining enterprise in the Nam

Paten area into operation. In *Mongolia* a mine and the Borundur-2 mineral survey and exploitation enterprise producing 300 thousand tons of fluor-spar per year were commissioned. In the *Korean People's Democratic Republic* at the Kim Ch'aeck iron-and-steel works a cold rolling strip workshop started production.

*The ferrous and non-ferrous metallurgy enterprises constructed in the fraternal countries with Soviet technical assistance manufactured in 1982 (compared against the country's total volume of similar products): in Bulgaria—100 per cent of pig iron, pipes, coke, copper, zinc, 98 per cent of steel and rolled metal, 85 per cent of lead; in Hungary—36 per cent of steel, 100 per cent of coke and rolled metal; in the Republic of Cuba—95 per cent of steel, 100 per cent of rolled metal, 33 per cent of nickel concentrate (in terms of metal); in Poland—74 per cent of pig iron, 55 per cent of steel; in Romania—49 per cent of coke, 70 per cent of hot-rolled steel sheet, 67 per cent of steel pipes and 80 per cent of ferro-alloys; in Yugoslavia—55 per cent of pig iron, about 37 per cent of steel and 52 per cent of alumina; in Mongolia—100 per cent of fluor-spar, copper and molybdenum concentrates; in Vietnam—42 per cent of tin; in the Korean People's Democratic Republic—33 per cent of steel, 38 per cent of rolled metal and 42 per cent of iron ore.*

The Soviet Union actively cooperates with the socialist countries in developing the *machine-building industry*. In 1982 *Bulgaria* received complete equipment for a factory producing tin coated steel supports in Tvarditsa, a factory manufacturing steering mechanisms in Lukovit was reconstructed, and laboratory for metrology and standardization set up. In *Vietnam* the construction of factories: manufacturing diesel engines in Godam, files in Foyan, motor vehicle and tractor spare parts in Vinh, galvanic cells in Vinh Phu and a workshop for repairing lorries used in open-cast mines continued. In the *Republic of Cuba* the majority of the machine-building enterprises constructed with Soviet assistance are for the sugar industry. Among them: the Planta Mecanica factory making pumps, centrifuges, etc., a factory repairing road-building machines in Cienfuegos, a workshop manufacturing trailers in Holguin, car and engine repair shops in Santiago de Cuba and Santa Clara, etc. The construction of the Havana TV and radio sets making factory continued. In *Mongolia* a workshop for producing motor trailers and repairing car bodies was put into operation, a bus service station in Ulan Bator was built. Last year in the capital of the *Korean People's Democratic Republic*

factories manufacturing car batteries and micro-electric motors, constructed on a compensation basis, were commissioned. The construction of a bearing factory continues. In *Laos* a workshop for repairing agricultural machinery was built in Vientiane. In *Yugoslavia* the construction of car battery factories in Probitip and Srebrenica continued.

*Chemistry and petrochemistry* form one of the most important spheres of USSR cooperation with the socialist countries. Last year in *Bulgaria* workshops and installations making phenol-formaldehyde resin in Shumen, concentrated nitric acid in Stara Zagora, rubber hoses in Pazardzhik and hydrogen in Burgas were put into operation. Equipment for an installation manufacturing ammonia (capacity 450 thousand tons per year) in Dimitrovgrad, for expanding tyre factories in Dimitrovgrad and Vidin as well as for other projects was supplied. In *Hungary* an installation producing weak nitric acid started operation and an installation manufacturing phosgene at the Borsod chemical complex was erected. In *Vietnam* the Lam Thao superphosphate factory and the Lao Cai apatite mine were expanded. In the *GDR* an installation for natural gas high-temperature conversion at the Schwarze Pumpe complex was put into operation. In *Romania* the construction of a factory manufacturing caustic soda (200 thousand tons per year), electrolytic chlorine (200 thousand tons), perchlorethylene (26 thousand tons) and hydrogen tetrachloride (14 thousand tons) in Giurgiu was completed. Caustic soda factories in Rimnicu-Vilcea and Gheorghe-Gheorghiu-Dej, a beech rayon cellulose factory in Breil were under construction. In *Czechoslovakia* a technical carbon installation in Valasske Mezirzici began working. In the *Korean People's Democratic Republic* an ammonia factory (50 thousand tons annually) was commissioned.

Among the *civil engineering* projects constructed with USSR assistance in *Bulgaria* are: a house-building complex in Tolbukhin, a workshop making asbestos cement slabs in Dimitrovgrad, an accessory workshop in Burgas and a gypsum factory in Koshava. In the *GDR* production lines manufacturing bathroom- and lavatory prefabricated box units were put into operation in Brandenburg and Schwerin. In the *Republic of Cuba* the factories for producing ferroconcrete items for housing construction in Havana, for ferroconcrete sleepers in Santa Clara are being built, a centre for research of inert building materials and a laboratory for controlling building material quality were set up. In *Mongolia* a ceramic tile workshop at the Ulan Bator brickyard was put into operation, the Hutul cement-lime factory, residential premises with

public amenities in Ulan Bator, Darhan, Erdenet, Choybalsan, Baganur, Hutul, Shariyn Gol, in aimak centres and rural areas also, were built as well as a quarry of inert materials with a gravel sorting factory and a metal structure workshop in Ulan Bator, the production bases of a large panel house-building trust in Ulan Bator and Darhan, etc. In *Poland* a reinforced-concrete pressure pipe factory in the town of Ostrow Wielkopolski was commissioned. In *Laos* the State building organization and two stone quarries were supplied with equipment. In *Yugoslavia* deliveries of equipment for a large-panel house-building factory in Titograd and a reinforced pressure pipe factory in Kosjerić were completed; equipment was supplied for a cement factory in Golubac Ostruzhnica.

Among the *transport and communication* projects being constructed with Soviet assistance mention should be made of those in: *Bulgaria*—the underground railway in Sofia, mechanization and automation of gravity humps at the country's several railway marshalling yards; *Vietnam*—the Thanglong bridge across the river Red and reconstruction of the Hanoi railway junction; the *Republic of Cuba*—a rail welding factory, reconstruction of the Havana-Santiago de Cuba railroad (total length 860 km), reconstruction of four wharfs and a container terminal in Havana port, reconstruction of the José Marti airport in Havana, etc., *Mongolia*—several reinforced concrete bridges, automatic telephone exchanges in Ulan Bator and aimak centres, the capital's radio-TV studio, the outfitting of the Orbita space station, etc. In June 1982 an agreement was signed on cooperation in constructing the first underground railway line in Warsaw (*Poland*) (total length 23.1 km) with 23 stations and on transferring the design and technical documentation as a gift of the Soviet people as well as 90 passenger coaches for the first section of the underground railway. In *Romania* the humps at the Sokola and Ghigheu railway stations were automated. In *Czechoslovakia* the construction of the underground railway in Prague continued and equipment for a TV studio was delivered. In *Laos* the ground space station of the Intersputnik system was put into operation, a medium-wave radio station was constructed, road bridges built and equipment supplied for road-building teams and for the state organization transporting foreign trade cargoes.

The socialist community countries when solving the important problem of supplying the population with consumer goods and foodstuffs attach great importance to the development of the material and technical

base of the *light and food industries* as well as agriculture. Our country renders large volume of assistance to Mongolia, Cuba and Vietnam in developing these sectors. Last year in *Mongolia* a knitting mill in Ulan Bator was commissioned, as well as about three thousand premises for various livestock, twelve feed preparation shops, 1,880 hectares of small irrigating systems, 1,400 drinking points, etc. The construction of a hide processing factory in Ulan Bator, carpet factories in Choybalsan and Erdenet, a dairy in Ulan Bator continued; specialized farms for growing cereal and fodder crops, dairy farms, animal fattening sites were built and agricultural machinery supplied for developing 150 thousand hectares of virgin lands belonging to the state farms, etc. In the *Republic of Cuba* the construction of a textile complex (capacity 80 million square metres of cloth and two thousand tons of yarn annually) in Santiago de Cuba and the Balance cotton spinning mill in Havana continued, and seven textile factories were reconstructed. Equipment was delivered for 11 new sugar refineries and for modernizing 23 functioning ones. Assistance was rendered in irrigation and drainage of lands and operation of irrigating systems. Fourteen points for packaging citrus fruits were created. A national broiler complex was constructed. In *Vietnam* the work was carried on on developing virgin and long-fallow lands (up to 70 thousand hectares) and starting hevea and medicinal herb plantations on them, as well as the work on organizing state farms for growing cotton plants on the total area of 25 thousand hectares. Four tea factories were built. In *Bulgaria* a sparkling wine factory in Chirpan was put into operation and a shop producing entobacterine in Peshtera constructed. In *Hungary* two complexes of winter greenhouses in the Szeged region were commissioned. In *Poland* construction of the Suchi Dwor greenhouse complex was finished and two model state farms, of the area 20 thousand hectares each, was organized. In *Yugoslavia* a grain elevator in Cuprija was put into operation and equipment supplied for developing the productive capacities of the Belgrad agro-industrial complex, for an elevator in Kinda and for modernizing the Svetozarevo formula-feed plant. *Laos* received equipment for water supply projects, the Latsen cattle breeding state farm and agrochemical laboratories. Deliveries of prospecting equipment for constructing irrigation channels, pumping plants and irrigation systems were completed.

\* \* \*

Yu.V. Andropov, General Secretary of the CPSU Central Committee, at the November (1982) Plenary Meeting of the CPSU Central Committee said: "Solidarity with the countries which freed themselves from the colonial yoke and with the nations defending their independence is still as it has always been a fundamental principle of Soviet foreign policy."

In 1982 the Soviet Union rendered economic and technical assistance to 55 developing countries. Complete equipment was delivered to 36 countries for 203 projects, 38 of which were fully or partially commissioned. Besides, assistance was rendered in operating the projects constructed earlier. The efficient and profitable work of the enterprises built with USSR assistance makes it possible for the developing countries to form their own internal sources of accumulation, timely pay for the complete equipment supplied, and, in particular, repay the credits granted by the Soviet Union. In 1982 the projects constructed with USSR participation produced goods worth 435 million rubles, or about nine per cent of USSR import from the developing countries of Asia and Africa.

Creation of the heavy industry, especially *ferrous and non-ferrous metallurgy* plays an important role in assuring the developing countries' economic independence. In *India* with USSR assistance the Bhilai and Bokaro iron-and-steel plants are being expanded (up to four million tons of steel per year each). At the Bokaro plant a complex producing 2.5 million tons of sinter annually and a coke-oven battery (0.5 million tons) were put into operation. At the Bhilai steel plant two converters, a mixer, two continuous billet casting machines and the first stage of the "3600" rolling mill are to be put into operation this year. The construction of the first stage of an iron-and-steel factory (1.2 million tons of steel per year) in Visakhapatnam is in progress. In January 1982 an aluminium factory in Korba (100 thousand tons per year) was commissioned to its full cycle. In *Pakistan* construction of the Karachi iron-and-steel works (capacity 1.1 million tons of steel per year), the main project of cooperation, continued. In 1982 a sinter plant, the "800" rolling mill and a refractory shop were put into operation. At the end of the year at the steel complex hot tests of the converter workshop with a bloomer continuous billet casting machine began. The construction of the "1700" rolling mill, a cold rolling mill and other projects continued. In *Sri Lanka* in 1982 an electric-furnace shop including an electric furnace and a continuous billet casting machine (capacity 65 thousand tons of steel per year) were put into operation at the iron-and-steel works in Oruvell. In *Iran* at the Isfahan iron-and-steel works, the

capacity of which is being expanded from 0.55 up to 1.9 million tons of steel per year, the second coke-oven battery was put through warming-up procedures last February. Soviet organizations finished complete deliveries of the main technological equipment to *Turkey* for expanding the Iskanderun iron-and-steel works from 1 to 2 million tons of steel per year. In *Algeria* at the iron-and-steel works in El Hadjar a converter (capacity 470 thousand tons of steel), a blast furnace (1,200 thousand tons of pig iron) and a coke-oven battery (600 thousand tons of coke per year) were put into operation. *Egypt* continued to receive equipment for the Helwan metallurgical complex and for expanding the Nag'Hammadi aluminium factory. Here new workshops and installations including the Beni-Halid lime quarry were put into operation. In cooperation with *Nigeria* special stress was placed on the fulfilment of commitments concerned with construction of a metallurgical complex in Ajaokuta on a contract basis. This year two rolling mills will start working. In *Guinea* the endeavour on expanding a bauxite extracting complex in Kindia from 2.5 to 3 million tons per year continued. In the *People's Republic of the Congo* the construction of the Yanga Kubensa ore mine is in progress for supplying the Mfuate ore-dressing enterprise producing lead concentrate with raw material. In *Mali* the Kalan gold-mining enterprise is under construction.

*Data on the share of products manufactured at the cooperation projects testifies to the important role co-operation with the USSR plays in developing the newly-free countries' metallurgical industry. In India, for example, the projects constructed with USSR aid in 1982 manufactured about 38 per cent of steel and rolled metal, in Iran—96 per cent of iron ore and 89 per cent of steel; in Pakistan—100 per cent of sinter and coke, in Turkey—34 per cent of pig iron, over 20 per cent of steel and rolled metal, 100 per cent of alumina and aluminium; in Sri Lanka—100 per cent of steel and rolled metal; in Algeria 96 per cent of steel, 38 per cent of rolled metal, 100 per cent of pig iron, coke, mercury, 64 per cent of zinc and 72 per cent of lead concentrates, in Egypt—89 per cent of pig iron, 66 per cent of steel, 70 per cent of coke, 100 per cent of aluminium, in the People's Republic of the Congo—100 per cent of lead concentrate.*

Under the energy crisis in the capitalist world assistance in developing fuel-power engineering sectors is of great importance for the developing countries. In *Afghanistan* a thermal power station at a nitrogen fertilizer factory was expanded from 36 to 48 thousand

kW, a compressor plant at the functioning Khodja Guguerdag oil field, oil tank farms in Hairaton and Mazar-i-Sharif were put into operation and the USSR State border-Holm-Mazar-i-Sharif power transmission line constructed. Geological prospecting, geophysical and drilling work for oil and gas in North Afghanistan were conducted in great volumes. In *India* in April 1982 the Mathura petroleum refining factory (capacity 6 million tons of crude oil per year) was commissioned, the drilling of the Rokia-I oil well (depth 5 thousand metres) in the Tripura state and repair of four idle oil well's boreholes in the Gudgerat state were completed. A contract for constructing the first stage of the Vindyachal thermal power station (capacity 1.26 million kW) was signed. The Mukunda (12 million tons per year) and Nigahi (14 million tons per year) open-cast coal mines are being designed and developed. Soviet specialists help in conducting seismic prospecting work in the Tripura and West Bengal states.

In *Bangladesh* a new gas field near Dacca was discovered. Realization of an agreement on expanding the Goros al thermal power station up to capacity 530 thousand kW with installing two 210 thousand kW power blocks began. In *Iraq* a large oil tank farm in New Karh was commissioned, a pump house in Dora expanded and seismic prospecting work in Tairat-Tuz completed. The construction of a dam (height 57 m and length about 9 km) comprising a hydropower engineering complex on the Euphrates in the Hadithah region, the Mishahda-Karh petroleum product pipeline (length 110 km) continues and boreholes at the Western Kurna oil deposit are being drilled. In *Iran* the Isfahan (capacity 800 thousand kW) and Ramin (1,260 thousand kW) thermal power stations are under construction. A protocol was signed on preparing working drawings for the Khodaa-Afarin and Gys-Galasy hydro-schemes on the Araks border river by Soviet organizations. The coal base of the Isfahan iron-and-steel works, the Karmozda ore dressing factory and the Karsang coal mine are being constructed. In *Syria* a regulating dam downstream the Euphrates hydro-scheme, power transmission lines (total length 515 km) were under construction. During the year about 360 km of power transmission lines (220 kV) including the Aleppo-Latakia power transmission line (length 182 km) have been erected. Assistance was rendered in design work, exploration and exploitation drilling and also in developing and using oil deposits. In the *People's Democratic Republic of Yemen* construction of the building base for a two-purpose thermal power station in Aden (capacity 50 thousand kW) is soon to

be completed. In a number of regions geological explorations for oil are being conducted. In *Turkey* the Orhaneli thermal power station (capacity 200 thousand kW) to be operated on lignites is under construction, a petroleum refining factory in Aliaga is being expanded (from 5 to 10 million tons per year). Cooperation with *Algeria* in constructing a gas pipeline began last year. The work on constructing the second section of the Alrar-Hassi Rmel gas pipeline (421 km) is in progress, a contract is signed and preparatory work on constructing the first section of this gas pipeline (length 232 km) has started. In *Libya* construction of the Marsa El Brega-Misureta gas pipeline (570 km) was continued, exploitation drilling for oil was conducted and power transmission lines (total length 464 km) is under construction. In *Nigeria* two systems of a petroleum product pipeline (length 906 km) with five pumping stations and four measuring points (total capacity 18.7 million tons per year) completed on a contract basis were put into permanent operation. In *Angola* oil tank farms in the towns of Malange and Porto Amboim were under construction. In line with the Programme for Economic and Technical Cooperation as well as Trade between the USSR and the People's Republic of Angola for 1981-1985 and up to 1990 signed in January 1982 the construction of the Capanda hydro-electric power station (capacity 500 MW) will become one of the largest projects of cooperation. According to the agreement dated April 6, 1982, assistance will be rendered to *Mozambique* in opening three mines (total capacity one million tons of coal per year) and organizing opencast mining (capacity up to 3.5 million tons of coal per year). This agreement also envisages seismic prospecting and the inland drilling work for oil and gas. Geological explorations for coal were conducted. In *Ethiopia* the Assab petroleum refining factory is being reconstructed and explorations for oil and gas in Ogaden conducted. Oil tank farms were put into operation. Contracts were signed on research and design work for constructing the Melka Vakana hydro-electric power station on the river Wabi-Shebele (capacity 153 MW) and a power transmission line (length 225 km). In *Guinea-Bissau* two diesel-generators (capacity 540 kW each) in Bafatá were put into operation. Deliveries of equipment to *Egypt* for electrifying rural regions and operating the country's interconnected power system including the Aswan High Dam were continued.

*In 1982 the enterprises constructed with USSR assistance produced: in Afghanistan—50 per cent of electric power, 100 per cent of natural gas; in*

*Bangladesh—21 per cent of electric power; in Egypt—45 per cent of electric power; in India—10 per cent of electric power, extracted 35 and refined 41 per cent of oil; in Iraq—45 per cent of electric power; in Syria—58 per cent of electric power; in Turkey—refined 24 per cent and in Ethiopia—100 per cent of oil.*

Assistance in developing the *machine-building industry* is given to a number of developing countries. Last year in *Afghanistan* an automotive enterprise servicing KamAZ vehicles was opened in Kabul; similar enterprises are being set up also in Hairaton and Pul-i-Khumri. In *Mozambique* the Maputo ship repairing complex comprising a floating dock and a floating repair shop was put into operation. Here Mozambique and Soviet fishing vessels are being repaired. In *Ethiopia* assembly of tractors from subassemblies and parts supplied by the Soviet Union will soon be organized. Six central shops for repairing tractors and agricultural machinery are to be built. In *Egypt* the expansion of a machine-tool plant and a forging and chain-making factory in Helwan continues. In *Mexico* aid is being rendered in organizing glass insulator production.

Soviet organizations continued their help to machine-building factories in Ranchi, Durgapur and Hardwar (*India*), constructed with USSR assistance, in mastering modern technology, manufacturing new types of equipment, in supplying technical documents and components, and training Indian specialists in the USSR.

The Soviet Union is helping the developing countries build an up-to-date infrastructure which includes *transport and communication projects*. In *Afghanistan* in 1982 a motor and railway bridge (length 816 m) over the river Amu-Darya in the area of the Hairaton port, a complex of buildings forming a transfer depot in the vicinity of this port, the Lotos Intersputnik system space communication station in Kabul were put into operation; Kabul airport is being reconstructed. Assistance was rendered to *India* in constructing an underground railway in Calcutta where the second tunnelling complex was put into operation. In *Iraq* an Intersputnik system ground space communication station was put into operation. In *Iran* adaptation of the Djulfa-Tabriz railway (length 147 km) to electric traction was completed. In the *Yemen Arab Republic* the Hodeida port wharf No. 5 went into service. A protocol on rendering aid in reconstructing the Hodeida-Al-Mafraq and Badjil-Sardud motor roads was signed. In *Syria* passenger traffic began

along the Damascus-Homs railway (208 km). Construction of railways (length 300 km) was continued and the Latakia sea port expanded. In the *People's Democratic Republic of Yemen* the work on repairing and extending a runway in Aden airport was carried out. A protocol on rendering the People's Democratic Republic of Yemen assistance in creating an Intersputnik system ground space communication station and constructing two dry cargo wharfs in the Aden trade port was signed.

Taking into account the acuteness of the food problem facing many developing countries the USSR renders these countries substantial assistance in developing *agriculture and the food industry*. This creates the material base for increasing agricultural produce and supplying the newly-free countries' population with foodstuffs. In *Afghanistan* two flour mills and a bakery were commissioned. In addition to four earlier organized agricultural machinery depots another one was set up in Herat. Equipment was supplied for the Jalalabad factory processing olives and citrus, and assistance rendered in combating locusts and animals' diseases. In *Iraq* two grain elevators were put into use and deliveries of equipment for constructing the Tharthar-Tigris canal (length 65 km) completed; Iraq adopted a general scheme, drawn up with Soviet specialists' participation, for using water and land resources. In *Iran* two grain elevators were put into guarantee operation, a mill and another elevator are under construction. Assistance was rendered to *Kampuchea* in restoring hevea plantations on an area up to ten thousand hectares, in organizing a rice selection-seed growing station, in growing cotton, and in outfitting a team restoring and constructing irrigation projects with equipment. In the *People's Democratic Republic of Yemen* a fishing port was under construction in Aden, fishing vessels were supplied, main canals (total length 60 km), dams and distributors from intake dams built, drilling and development of 130 wells for irrigating lands in Ahwar and Hadhramaut conducted and an equipment repair shop with testing area for the irrigation projects in Aden set up. Assistance was rendered in restoring the water supply and irrigation projects destroyed or damaged as a result of a natural calamity which occurred in spring 1982. In the *Yemen Arab Republic* the work on drawing up a scheme for using the San'a river basin's water resources including the designing of two small irrigation dams began. In *Syria* irrigation projects and the development of lands

on an area of 17 thousand hectares in the Meskene area was completed (in 1982 five thousand hectares were given to agriculture); a 50 thousand hectare irrigation system in the western part of the Meskene area was under construction, work on building a dam on the Northern Khabur river continued; in November 1982 this river was spanned. A completed scheme for utilizing the water resources in Syria's four western regions on an area of 51 thousand sq. km was transferred to Syrian organizations. Hydrological and hydro-geological explorations in the Yarmuk river basin were completed.

Soviet organizations completed fulfilment of commitments under the agreement on cooperation in joint constructing in *Turkey* on a par basis a dam and a water reservoir (volume 525 million cu.m) on the border river Akhuryan (Arpachai) where in 1982 the filling of the reservoir began. *Algeria* received aid in constructing dam No. 3 in the Dra-El-Mizan region, in exploration-exploitation drilling for water in the High Plateau and the Sahara. Contracts were signed on designing the Burahman dam, on drawing up a scheme for utilizing the Annaba region's water resources, on organizing three farms, a veterinary service, etc. In *Angola* work continued on irrigating up to four thousand hectares of land (in 1982 two thousand hectares were prepared for irrigation), assistance in developing fishery through deliveries of materials for fishing cooperatives was rendered. An agreement was signed on the comprehensive development of the Malange province which includes three state cotton-growing farms (five thousand hectares each), irrigation, electrification and water supplies for rural regions. Soviet organizations are helping *Mozambique* to draw up a general scheme for water supply utilization and comprehensive development of the Limpopo valley, in organizing three state cotton-growing farms in the Nampula province. In *Madagascar* a flour mill complex in Tamatave (capacity 125 tons of flour a day) and an elevator (20 thousand tons of grain are under construction). In *Tanzania* a state maize growing farm in Namtubo and a state cotton growing farm in Kwamsisi (four thousand hectares each) are being formed. In *Tunisia* the Djoumine-Medjerda channel (length 38 km) and dams on the rivers Rezala and Djoumine are being constructed. Egypt is receiving equipment for irrigating and developing 84 thousand hectares of desert lands. The deliveries of equipment and materials to *Ethiopia* for granaries (total capacity 206 thousand tons) were completed. Thirteen granaries (out of 50) (capacity about 75 thousand tons) were put

into operation. Assistance is being given to build five cold-storage plants (total capacity 3,100 tons). Research and survey work for building an earth dam on the river Alvero and an irrigation system for developing 10 thousand hectares of lands in the Baro-Akobo region were carried out. Aid was given on the use of a scientific phytopathological laboratory in Amba.

USSR assistance to the developing countries in *training national specialists* is of a diverse character. In 1982 in *Afghanistan* educational vocational centres in Kabul, Jalalabad and Mazar-i-Sharif were fitted out; equipment was delivered for the capital's University and the Polytechnical Institute. In *Kampuchea* a higher educational technical college in Pnom-Penh was restored and a vocational school for 300 pupils opened. In *Jordan* an educational centre was opened in Irbid. In *Iraq* an educational centre preparing specialists for building-machinery repair is being set up in Dora. Contracts were signed on creating educational centres in *Syria*. Many Soviet teachers work at higher and secondary educational establishments in *Algeria*. In the *People's Republic of the Congo* a Party school under the Central Committee of the Congolese Labour Party in Brazzaville is being set up. In *Madagascar* an educational centre of agricultural machine operators began to function. *Tunisia's* national technical institute is being expanded. In *Ethiopia* seven educational centres are being built. Educational equipment was supplied for the Bahr-Dar polytechnical institute. *Nicaragua* received equipment for its educational centres.

\* \* \*

The Soviet Union's cooperation with foreign countries is of great economic and political significance. It makes USSR participation in the international division of labour deeper, more stable and effective, strengthens the socialist community and helps the developing countries restructure their economies on a progressive basis.

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REPORTAGE ON IBEC ACTIVITY IN 1982

Moscow FOREIGN TRADE in English No 8, Aug 83 pp 52-54.

[For similar reportage see JPRS 84114, 12 August 1983, No 59 of this series, pp 18-22]

[Text] The 57th meeting of the Council of the International Bank for Economic Cooperation was held last April in Moscow, delegations from all the member-countries of the Bank and also representatives of the CMEA Secretariat and the International Investment Bank took part in its work. The Council meeting was also attended by representatives of the National Bank of Yugoslavia (Narodna Banka Jugoslavije), Da Afghanistan Bank, Bank of Yemen (Aden), National Bank of Laos, Bank of Mozambique, Bank of Finland and National Bank of Ethiopia.

The Council approved the Bank's annual report for 1982 and Balance Sheet as of December 31st, 1982, and took the decision on the distribution of profits for 1982, allotting approximately 50 per cent of the profits to the IBEC reserve capital.

It was pointed out at the meeting that the growing commercial and other economic relations among the Bank's members had also increased the volume of IBEC settlement and credit operations in transferable rubles. The Bank is maintaining and developing its business with banks of the West which are IBEC's reliable and stable partners.

Taking into account the Bank's greater volume of operations in transferable rubles and convertible currencies, the Council took a decision to increase the part of authorized capital paid by the IBEC member-countries in the said currencies to a sum of 68.5 million transferable rubles. Thus the Bank's own funds have been increased and amount to about 370 million transferable rubles.

The Council also considered the Bank's current crediting policy and a number of matters concerning the further development of banking operations.

In 1982 the member-countries of the International Bank for Economic Cooperation registered sound progress in their economic development and secured deeper integration of their economies in the CMEA, IBEC and other international organizations of the socialist countries. Priorities were accorded to the building-up of national economic, scientific and technological potentials, to the improvement of economic patterns, mobilization of domestic economic reserves, all-round conservation of all kinds of resources, and fulfilment on this basis of tasks envisaged by the social policy.

In 1982 the total national income of the member-countries grew 2.2 per cent over the 1981 figure and their annual industrial output 2.3 per cent.

Despite the fact that the member-countries' national economies were developing against the background

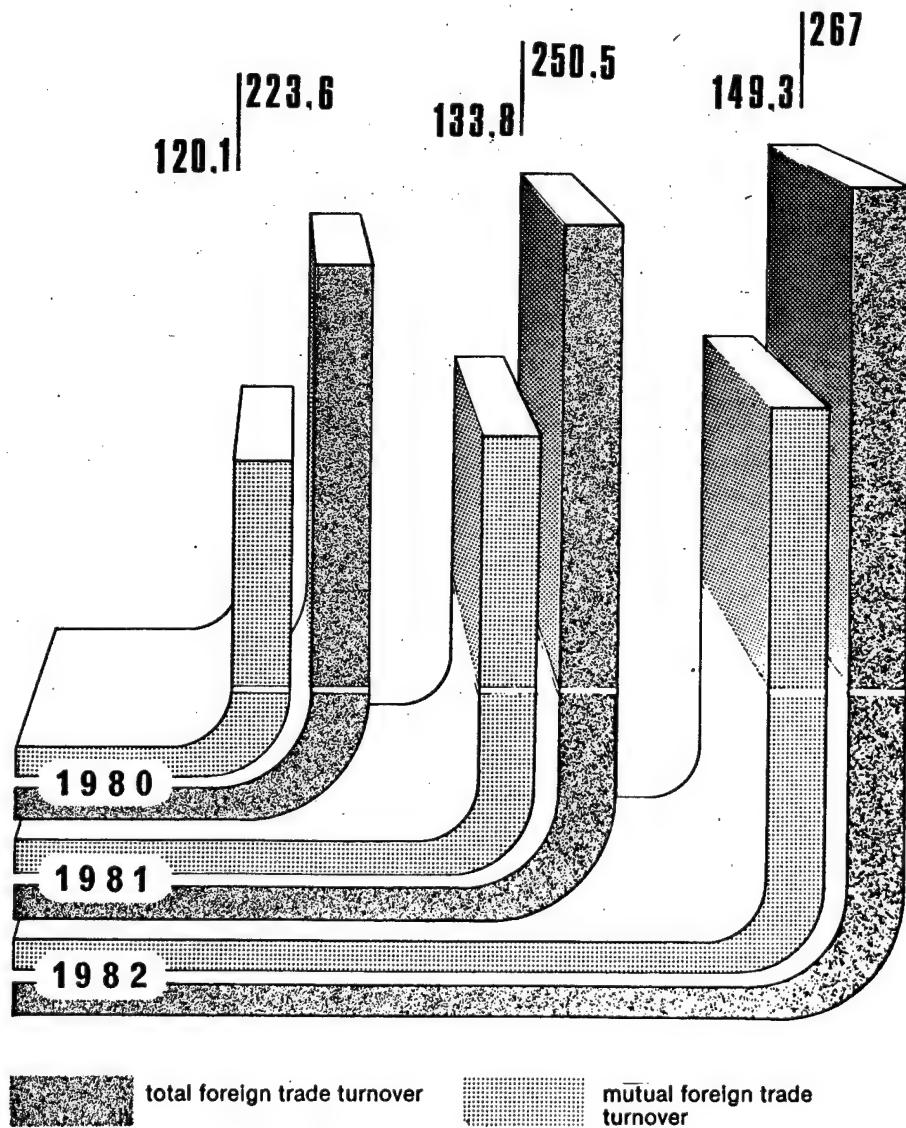
in a complicated crisis ridden international situation, their total foreign trade volume in 1982 bettered that of 1981 by 6.6 per cent.

As before the mutual trade accounts for the greater part of the foreign trade turnover of the Bank member-countries thus providing a clear illustration of the expansion and deepening of their cooperation and development of socialist eco-

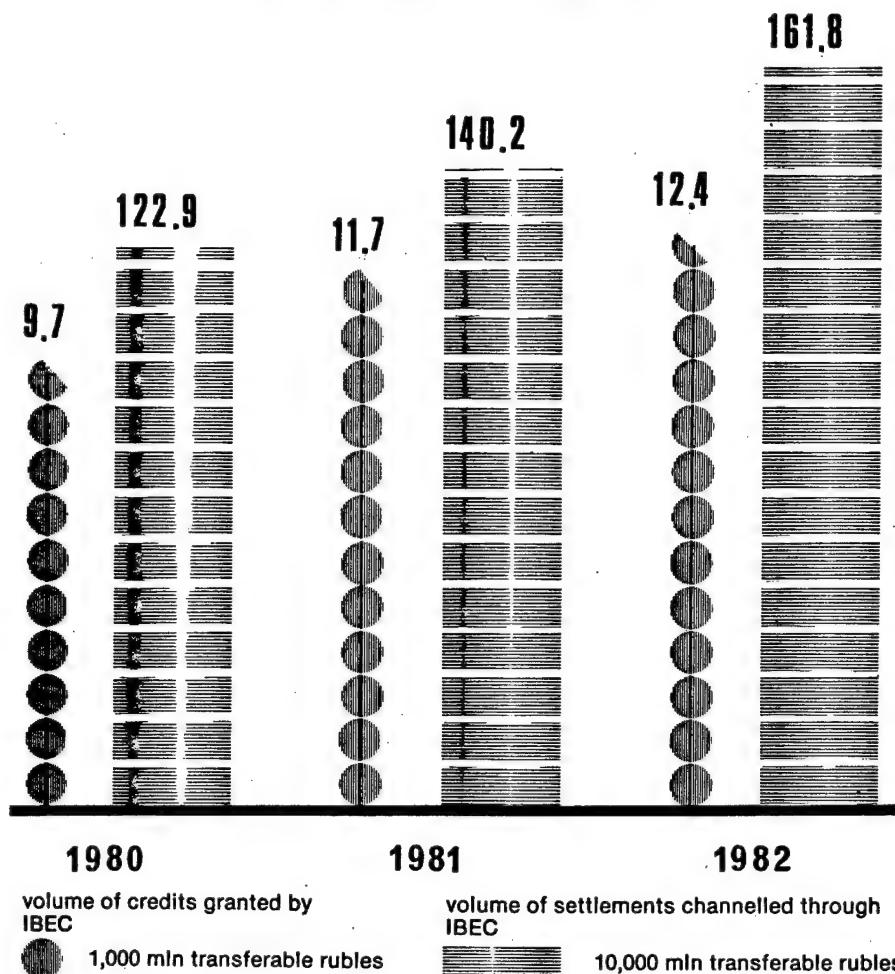
nomic integration. In 1982 the volume of mutual trade in current prices grew 11.5 per cent compared with the year before and, simultaneously, its share in the overall volume of the Bank member-countries' foreign trade turnover increased 55.9 per cent.

Trade in machinery and equipment grew particularly rapidly in most countries, reflecting further gains in the international speciali-

The IBEC member-countries' foreign trade turnover ('000 mln rubles)



**IBEC credit and settlement operations**



zation and cooperation in production. The adoption in the Soviet Union of the Food Programme and the realization in other member-countries of measures aimed at developing agro-industrial complexes gave a new impetus to the expansion of their mutual trade in various kinds of farm machinery, machines and equipment for the food industry, mineral fertilizers and equipment for their production.

In 1982 IBEC successfully carried out its activities which were aimed, as always, at promoting the member-countries' mutual economic cooperation and their business links with other countries.

**IBEC operations in transferable rubles** in 1982 increased in line with the growth of mutual trade and the development of other forms of economic ties among the Bank's members. The total volume of settlement, credit, deposit and other operations amounted to 259,300 million transferable rubles.

Over the year the volume of the member-countries' mutual settlements grew 15.4 per cent to 161,800 million transferable rubles; 92.5 per cent of this amount being trade-related.

The Bank continuously carried

out settlement operations among the member-countries and extended credits to them according to the needs arising in the course of their mutual economic cooperation. In 1982, short-term and settlement credits totalled 12,400 million transferable rubles, 5.2 per cent above the 1981 level. Short-term settlement credits as usual accounted for the bulk of the Bank's lending operations; and the total amount of credits granted increased. Settlement time averaged 24 days.

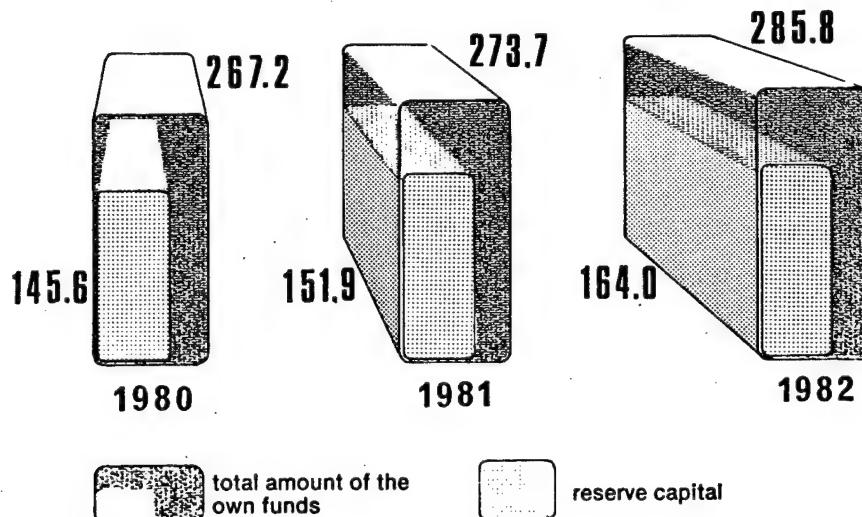
The Bank's credit investments showed a certain decline amounting to 3,800 million transferable rubles to the end of the year. The member-countries' banks repaid within the time-limit all loans received from the IBEC in 1980 and 1981 while their needs in new term loans decreased in 1982, thus indicating a better balance of the member-countries' mutual settlements as planned.

The Bank's interest rates on loans and borrowed funds in transferable rubles remained unchanged in 1982. The banks of Vietnam, Cuba and Mongolia received credits at preferential rates.

**IBEC operations in convertible currencies and in gold** were carried out against the background of prolonged recession in the Western economies, volatile exchange and high interest rates.

In its activities on Western exchange markets, on the basis of tasks set by the Bank Council, in 1982, the IBEC curtailed its convertible currency operations in view of the aggravated market conditions. This measure protected the Bank's own funds and funds borrowed. The balance of funds borrowed amounted to an equivalent 1,700 million transferable rubles at the year-end.

IBEC own funds at the year-end (mln transferable rubles)



The total turnover on convertible currency operations showed a growth basically due to the shorter terms of placed funds and a faster return of the Bank's own funds.

The Bank's 1982 profit amounted to 30.7 million transferable rubles, insignificantly lower, 3.7 per cent, than in the previous year, — a result from a change in the structure of transferable ruble credits and lower level of convertible currency operations. In accordance with the IBEC Council decision, about 50 per cent of the profit was transferred to the reserve capital, the balance was distributed among the Bank member-countries and earmarked for the construction of the IBEC office building.

The IBEC maintained close ties with the CMEA bodies, the International Investment Bank, and international economic organizations set up by the CMEA member-countries; the IBEC took part in the joint working out and consideration of matters deepening socialist economic integration.

In accordance with its consultative status, the Bank paid due attention to the activities of UNCTAD bodies. IBEC representatives participated in the UNCTAD-sponsored seminars held in Moscow in 1982 for senior executives of the developing countries' financial and foreign trade agencies to acquaint them with the Bank's activities and the role of the multilateral system of settlements and crediting in transferable rubles which successfully functions in the international currency and financial mechanism of the CMEA member-countries.

		ASSETS		LIABILITIES	
		As of December 31		As of December 31	
		1981	1982	1981	1982
1. Monetary funds					
a) Current accounts and cash on hand	27,755,203	16,836,060		121,730,960	121,816,160
b) Time deposits	1,675,558,516	1,364,096,451		151,925,109	164,005,808
1,703,313,719	1,380,932,511			273,656,069	285,821,968
4,463,657,203	4,288,799,678				
2. Credits granted	701,975	719,274			
3. Property of the Bank	69,503,079	55,591,741			
4. Other assets					
TOTAL:	6,237,169,976	5,726,043,204	TOTAL:	6,237,169,976	5,726,043,204

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## USSR-EAST EUROPE BILATERAL TRADE

### USSR - YUGOSLAVIA: SERVING BOTH COUNTRIES' INTERESTS

Moscow FOREIGN TRADE in English No 8, Aug 83 pp 13-15

[Article by Boris Dudoladov]

[Text]

All-round Soviet-Yugoslav ties are making sound headway and have good prospects. This was reaffirmed at talks during the official friendly visit to Yugoslavia last March of N.A. Tikhonov, Member of the CPSU Central Committee Political Bureau, Chairman of the USSR Council of Ministers.

In one of his speeches during his stay in Yugoslavia N.A. Tikhonov noted: "It can be said with full confidence that Soviet-Yugoslav relations are built on the time-tested foundation of equality and mutually beneficial cooperation".

Nikolai A. Tikhonov and M. Planinc, President of the Federal Executive Council of Yugoslavia, expressed satisfaction with the results of the talks ensuing from the visit.

The Soviet Union conducts a consistent policy of developing and strengthening all-round cooperation between the two countries. Every passing year Soviet-Yugoslav trade and economic relations become more extensive and diverse. The two countries exceeded

the volumes stipulated in the 1976-1980 trade agreement. Over the past five years the bilateral trade turnover reached 18,000 million dollars, three times more than in the 1971-1975 period (5,900 million dollars). Good progress is being made in fulfilling the trade agreement for 1981-1985, signed in June 1981, under which bilateral trade is to top 32,000 million dollars. The results of the first two years of the current five-year-plan period and the trade volume envisaged in the 1983 trade protocol indicate that the plans will be overfulfilled.

Exchanges of goods are of great importance for the economies of both countries. Thus, the Soviet Union exports to Yugoslavia many commodities vital for the development of Yugoslavia's economy, especially in the present-day complicated situation. These goods include machinery and equipment, in particular, complete sets of power plant, equipment for the ferrous and non-ferrous and other industries, excavators, cars and lorries, etc. Also of great significance

are energy carriers, iron, manganese and chrome ores, cotton, cement, chemical goods, fertilizers. USSR-made consumer goods—watches, cameras, portable TV sets, radio sets and others—are in great demand on Yugoslavia's market.

In exchange, Yugoslavia supplies a wide array of goods of interest to the Soviet Union—seagoing ships, various machine tools, equipment for the ferrous, power engineering industry, the food industry, automatic telephone exchanges, power transformers, cables, etc. It also delivers non-ferrous metals and various chemical goods. Consumer goods, garments and knitted wear, footwear and furniture figure prominently in Yugoslavian exports to the Soviet Union.

The development of industrial specialization and cooperation is an important factor expanding bilateral trade and economic ties. This form of cooperation is most pronounced in the automotive industry. The Soviet Union receives completing parts for the Volga and Kama Motor Works from Yugoslavia and pays for them with the export of Lada cars and KamAZ lorries to that country. The two countries cooperate in machine-tool building, in forging and pressing equipment production, in the chemical industry, and are taking steps to jointly produce walking excavators.

Technical and economic assistance rendered by Soviet organizations in the construction and reconstruction of 130 industrial and other projects in various economic branches of Yugoslavia

helps expand trade and economic cooperation between the two countries. Some 80 of these projects have been completed. The Soviet Union grants Yugoslavia state and commercial credits to pay for machinery and equipment, and use is made of compensation-based cooperation.

In a speech during N.A. Tikhonov's visit to Yugoslavia M. Planinc said: "I am delighted to say that economic cooperation between our countries is developing successfully. The present high level of trade turnover is a solid foundation for its further rise and qualitative improvement". N.A. Tikhonov in answer said in part: "It is my pleasure to emphasize that the Soviet Union will continue to build its relations with socialist Yugoslavia on the tested framework of friendship and co-operation that correspond to the common interests of the struggle for social progress and peace in the world. We see also that this agrees with the aims of the Yugoslav leadership, and this means that relations between the USSR and SFRY have good prospects. Our talks show that these prospects can be filled with concrete and vital content".

Long-term bilateral cooperation prospects are cemented in the Long-term Programme of Economic, Scientific and Technical Cooperation for 1981-1990 signed in Belgrade in September 1980. The Programme maps out ways to increase the effectiveness of Soviet-Yugoslav cooperation, identifies the sectors, where the

interaction will be most intensive—heavy and transport machine-building, the automotive, electrical engineering, machine tool, ship-building, chemical, construction and food industries, production and agricultural machinery and power engineering industries. The Programme assigns a big role to cooperation in transport.

During the visit, the heads of government of the Soviet Union and Yugoslavia signed the Guidelines for the Implementation of the Long-term Programme of Economic, Scientific and Technical Cooperation between the Union of Soviet Socialist Republics and the Socialist Federal Republic of Yugoslavia till 1990. This document reflects the accords reached during the talks on measures which can be taken to enhance bilateral economic, scientific and technical cooperation over the current and next five-year-plan periods. The parties agreed that, proceeding from the generally recognized principles that are promoting mutually beneficial cooperation and the attained volume and present structure of bilateral trade, they would make efforts to secure the stability of trade and economic cooperation by giving it a long-term foundation; expand further all kinds of bilateral ties on a balanced and comprehensive basis; improve the trade turnover structure by increasing the share of more processed goods, machinery and equipment in the reciprocal trade and answering modern technical standards by the fuller use of scientific and technological advances; look for new forms of

commercial, economic, scientific and technical ties; maintain mutually beneficial specialization and cooperation in production.

To implement the measures provided for by the Long-term Programme, the parties agreed: to take steps to fulfil the obligations stemming from the Agreement on the Mutual Deliveries of Goods Between the USSR and the SFRY for the 1981-1985 Period thereby establishing more balanced payment relations between them; conduct negotiations and sign, before 1984 expires, an agreement on cooperation in shipbuilding for the period following 1985; instruct the planning and foreign trade bodies of the countries to negotiate and sign a protocol on the development of economic co-operation for the 1986-1990 plan period; conduct talks on this basis and sign an agreement on mutual deliveries of goods for this period, and others.

While drafting these documents the parties agreed to instruct the planning and foreign trade bodies to examine a number of problems affecting the further development and extension of trade and economic cooperation in the coming five-year period. Primarily, this concerns the construction of hydro- and thermal-power stations and high-voltage electric power transmission lines in Yugoslavia; extension of cooperation in constructing atomic power plants; the possibilities of increasing the supply of some fuel raw materials and electricity from the USSR to Yugoslavia; matters assisting the expansion and modernization of plants and setting up of new industrial capacities, including

those built on the compensation basis.

The sides expressed their readiness to extend collaboration in advancing the agro-industrial complex. To this end the Soviet Union may increase its deliveries of farming machines and some kinds of fertilizers to Yugoslavia and carry out design and research on hydro-amelioration as well as participate in the construction of plants for manufacturing and processing agricultural produce to expand long-term deliveries of this produce to the USSR. For their part, Yugoslav organizations could help the USSR build a modern enterprise for the comprehensive production and processing of farming produce.

Attention was also paid to the continued or, possibly, expanded cooperation in production with the emphasis laid on involving other economic sectors and securing a stable fulfilment of reciprocal obligations.

Good transport links are vital for expanded trade and economic cooperation. That is why the document also dealt with transport and emphasized the need of timely deliveries including the switching some shipments from railroads to the river, sea and other kinds of transport.

Appropriate accentuation was given to the need to expand cooperation in science and technology, first of all in metal working equipment and robots.

During his stay in Zagreb, N.A. Tikhonov in one speech said that the Soviet Union highly evaluated the results of the economic and industrial cooperation of Soviet and Yugoslav enterprises and organizations. It is necessary to expand and intensify this cooperation in the interests of the two countries and all socialist states.

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## USSR-EAST EUROPE BILATERAL TRADE

PROMOTION OF ALL-AROUND COOPERATION BETWEEN SOVIET UNION, GDR

Moscow FOREIGN TRADE in English No 8, Aug 83 pp 39-41

[Article by Yevgeni Pitovranov, president of the presidium of the USSR Chamber of Commerce and Industry]

[Text]

Each year relations between the Soviet Union and GDR continue to improve and expand as envisaged by the decisions of the 26th CPSU Congress and the 10th SUPG Congress, as well as by the USSR-GDR Treaty of Friendship, Cooperation and Mutual Assistance of October 7, 1975.

The multifaceted cooperation of the two nations reflects the increasingly close interaction of their economies which is demonstrated by 175 intergovernmental and interdepartmental agreements in various economic sectors signed and carried out under the Programme of specialized and cooperated manufacture between the Soviet Union and GDR for the period ending in 1990. The high and stable rates of the mutual trade turnover growth are also proof of this. The Soviet Union is the German Democratic Republic's largest trading partner, accounting for 38 per cent of the latter's foreign trade. Since 1960 the GDR has been ranking first among the foreign trading partners of our country. In 1982 the mutual trade turnover between our countries hit the 12,200 million rubles' mark, whereas in 1983 it is expected to reach approximately 13,000 million rubles as contemplated by the Protocol of January 20, 1983, signed in Moscow.

Soviet and GDR specialists continue to cooperate in the construction and re-construction of industrial and other projects in both countries; mutual trade in licences keeps on expanding.

The USSR Chamber of Commerce and Industry which in 1982 marked its 50th anniversary does a lot to promote Soviet-GDR trade, economic, scientific and

technical ties. It maintains stable business contacts with similar institutions in more than 80 countries and effectively cooperates with the GDR Chamber of Foreign Trade. In 1969 the two chambers concluded an agreement for developing specific joint programmes. At present they are implementing the programme for 1983 and 1984.

The chambers' cooperation covers a wide range of activities and, in the first place, work amongst its member-organizations. The member-organizations of the USSR Chamber of Commerce and Industry whose number exceeds 4,300 include large industrial enterprises (suppliers of goods for export), all-Union associations of the Ministry of Foreign Trade (export-import operators) and associations of the USSR State Committee for Foreign Economic Relations (which help construct enterprises abroad and supply complete equipment for them). They also include many research and design institutions. In keeping with the cooperation agreement the two chambers pay much attention to exchanges of delegations and assist with lecture arrangements for the chambers' representatives in each of the respective countries.

The chambers organize traditional Days of Economy and Technology, Foreign Trade Days and Round-Table Meetings on vital economic and scientific activities which assist a broader exchange of information on the export and import needs of both countries, help familiarize with their economic, scientific and technological achievements and expand trade. Several leading enterprises of the GDR-members of the GDR Chamber of Foreign Trade—exhibited their export products; also lectures were delivered and talks held on their activities last June in Novosibirsk and Irkutsk during the Days of GDR Foreign Trade. Next year Days of Soviet Foreign Trade will be held in the GDR.

Symposia greatly facilitate to further develop scientific and technical ties where specialists in various economic fields of the USSR and GDR are getting acquainted with the potentialities and benefits of new products and processes. In 1983 symposia will be hosted by the Soviet Union; in 1984 they will be held in the GDR. Their agenda covers such urgent problems as energy supply and its economy, the use of robots, computers and microelectronics, the dressing of raw materials and economy of materials. It is worth mentioning that last year the USSR Chamber of Commerce

and Industry assisted in organizing 68 symposia in this country, involving foreign organizations and enterprises.

Arbitration plays an important part in mutually profitable and equal business cooperation. The Foreign Trade Arbitration Commission of the USSR Chamber of Commerce and Industry and the Arbitration Court of the GDR Chamber of Foreign Trade consult each other when examining disputes arising out of foreign trade activities between exporters and importers of the two countries, and discuss the points of establishing similarities of their arbitration practices.

The chambers' arbitration bodies consult each other on cooperative efforts in international commercial arbitration. In the coming autumn the GDR is to host the 12th meeting of the chairmen of the CMEA chambers of commerce' arbitration courts and commissions and those of Yugoslavia.

Both chambers participate in the activities of the International Chamber of Commerce and other international organizations, including the plenary meetings of the Baltic Sea countries' chambers of commerce (the last meeting was held in Moscow in 1982). Members of the meeting included also Norway, Poland, the FRG, Finland and Sweden.

Both chambers invariably support the efforts of industrial, commercial, agricultural and other chambers as well as influential business sections in various countries that help extend equal international economic cooperation.

The USSR Chamber of Commerce and Industry has close relations with the Inventions and Patents Department of the GDR Council of Ministers and the following international organizations of the GDR: Intercontrol, Interwerbung, Intertext, and Transinter. For example the USSR Chamber's V/O Sovincentr and its firms providing services for the Moscow Centre of International Trade, Scientific and Technical Relations with Foreign Countries, maintain business contacts with the GDR foreign trade organization Transinter presiding over the International Trade Centre in Berlin. The cooperation of the two organizations started in 1976 aims at higher commercial efficiency and quality of the services rendered to customers at both centres.

Protection and regulation of industrial property rights is another important aspect of international trade. As the sole authorized patent rights agent in the Soviet Union the USSR Chamber of Commerce and Industry was the first socialist host of a regular meeting

of the Executive Committee of the IAPIP (International Association for the Protection of Industrial Property), held in Moscow in 1982 and attended by delegates and guests from 35 countries. In its turn the GDR (city of Neubrandenburg) played host to a symposium on the Scientific and Technological Progress and the Protection of Industrial Property attended by representatives of national CMEA member-organizations of the IAPIP. Members of the USSR Chamber's patent staff presented papers at meetings of international IAPIP working groups in the GDR, Austria, the USA, Finland, France, Czechoslovakia, and Japan.

For a long time the USSR Chamber of Commerce and Industry has been, on the instructions of its member-organizations and also firms and organizations of other countries, monitoring the quality and quantity of exported and imported goods. In 1982, for example, it carried out 1.6 million expert examinations and checked over 46,000 million rubles' worth of products and equipment. Twenty-two countries requested the services of the Chamber's Goods Superintendence Department. Cooperation in quality and quantity control was discussed at a conference of socialist countries' control agencies in Riga, the capital city of the Latvian Soviet Socialist Republic. The USSR Chamber and the Intercontrol organization of the GDR exchange information and experience on commodity examinations under the 1981 Agreement on Cooperation.

The Translation Department of the USSR Chamber of Commerce and Industry which last year performed much work for British, Belgian, Finnish, West German, Swiss, Japanese and other firms cooperates with the GDR Intertext agency. The Chamber's translation services are particularly expedient and helpful to firms and organizations supplying various equipment to the Soviet Union and taking part in exhibitions on Soviet territory. The USSR Chamber's joint work in this field with the GDR firm Robotron is an example of fruitful cooperation.

The Chamber does all possible to establish and develop various contacts with business people abroad to acquaint them with the production, scientific, technological and export potentialities of possible Soviet partners, and to promote the Soviet Union's foreign trade, economic, scientific and technical relations with other countries, including the GDR.

The Chamber assists Soviet exporters to display their products abroad on a large scale. In 1982 it arranged 28 Soviet exhibitions and organized 4 information centres in 26 countries showing over 82,000 samples of products.

Traditionally, the Soviet Union is a leading exhibitor at the Leipzig Fair. It was the first international fair in which the young Soviet Republic took part, and this was way back in 1922. At that time its exhibits were very modest: flax, hemp, honey and folk art handicrafts. In 1982 the Soviet exhibition at the Leipzig Fair marked its 60th anniversary. It displayed, specifically, programme control machine tools, computer systems, laser and other modern equipment.

The general feature of Soviet exhibitions in Leipzig is to develop all-round Soviet-GDR contacts still more and demonstrate the latest achievements in specialized and cooperated manufacture between the CMEA member-countries. Over the last decade the USSR Chamber-sponsored exhibitions at the Leipzig Fair put on show more than 2,700 sample products whose mass-production was the result of cooperation with other CMEA nations and socialist economic integration. At the 1983 spring and autumn fairs the number of Soviet exhibits will exceed 400.

All Soviet exhibitions abroad reflected the 60th anniversary of the Soviet Union. Fourteen Union and 2 Autonomous Republics exhibited their wares abroad in 1982 in large independent sections of their own. Now it has become a tradition to display the achievements of Soviet Republics in the USSR pavilion at the Leipzig Fair. In the spring of 1982 it was the turn of the Georgian Republic to show its successes. Autumn of the same year witnessed the debut of the Chechen-Ingush Autonomous Soviet Socialist Republic. Visitors are cordially invited to see the exhibits of the Tajik Republic in the autumn fair this year. The stands of individual Republics with their unusual national patterns are always very popular.

The last and current year exhibitions have special stands showing the progress made in fulfilling the USSR Food Programme. The 30th meeting (1982) of the Soviet-GDR Inter-governmental Commission on Economic, Scientific and Technical Cooperation outlined important measures that would help this programme's implementation, including the moder-

nization and streamlining of enterprises in the light and food industries and those producing fertilizers.

A stand in the spring exhibition of the Soviet Union in Leipzig illustrated the production of mineral fertilizers in our country, the deliveries of fertilizers from the GDR and the activities of Soyuspromexport's firm Udobreniya (Fertilizers). Several types of tractors were on display on an open exhibition site. In the current five-year-plan period the Soviet Union is to ship to the GDR over 14,000 tractors. The GDR continues to deliver to our country farm machinery, equipment for the food and flavour industry, and pesticides.

The USSR Chamber-sponsored exhibitions in the Soviet Union also contribute much to the promotion of trade, economic, scientific and technical relations with other countries. The GDR foreign trade organizations, production complexes and enterprises have taken part in 11 international exhibitions organized by the Chamber's All-Union Association Expocentr. Besides, GDR organizations and enterprises have put up 21 independent exhibitions of their own, including: GDR Furniture (Erevan, the capital city of the Armenian Republic), Pharmaceutics (city of Irkuts, Russian Federation), and GDR Medical Equipment (Dushanbe, the capital city of the Tajik Republic). Contracts worth over 250 million rubles for the import of various goods from the GDR were signed at these exhibitions.

The Joint Communiqué on the official friendly visit of the GDR Party and Governmental delegation to the Soviet Union emphasized that the experience of coordinated Soviet-GDR national economic planning and the pooling of their material and labour reserves to develop natural resources, construct large industrial projects, develop and put in use new scientific, technological and production solutions is raising the two countries' economic interaction to a still higher level. The USSR Chamber of Commerce and Industry will continue to expand its cooperation with the GDR Chamber of Foreign Trade, enhancing various economic relations between our fraternal countries.

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USSR-EAST EUROPE BILATERAL TRADE

BRIEFS

SOVIET-CSSR COOPERATION--Last December the USSR Government and the Government of the Czechoslovak Socialist Republic signed an agreement in Moscow on cooperation in building in Czechoslovakia the second stage of the Temelin atomic power station. The second stage will have two blocks with VVER-1000 reactors and turbo-generators of 1,000 MW unit power. A.K. Antonov, Deputy Chairman of the Council of Ministers of the USSR, and L. Germe, Czechoslovakia's Deputy Prime Minister, signed the agreement. Soviet organizations are to draw up the detailed and contractor design, supply equipment, to assist technically in its assembly, putting the station into operation and in training engineering personnel. [Text] [Moscow FOREIGN TRADE in English No 8, Aug 83 p 37]

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## TRADE WITH INDUSTRIALIZED COUNTRIES

### FINNISH-SOVIET PROTOCOL SIGNED

Moscow FOREIGN TRADE in English No 4, Apr 83 pp 31-32

#### [Text]

In December 1982, in Helsinki the USSR and Finland signed a protocol on mutual deliveries of goods in 1983, the third year of the five-year trade and payments agreement between the two countries.

Under the Protocol the 1983 trade volume will amount to 5,100 million-5,300 million rubles, i.e., it will grow at the previous high level. This dynamic turnover in Soviet-Finnish trade is in line with the accords reached by the leaders of the two countries in March 1982 and the results of the visit by N.A. Tikhonov, Chairman of the USSR Council of Ministers, to Finland in early December 1982.

The Protocol provides that Soviet exports to Finland should amount from 2,500 million rubles to 2,600 million rubles and, as before, will be mostly oil, oil products, natural gas, coal, coke and electricity. To promote bilateral trade and put it on a more stable and balanced basis in 1983 it is planned to expand as against the 1982 Protocol Soviet deliveries of such traditional items as oil products, non-ferrous metals, chemicals, fertilizers, timber.

The Soviet Union is to boost its exports of machinery and equipment

from 128 million to 137 million rubles as against the 84 million stipulated in the Protocol for 1982. In particular, it is planned to increase the deliveries of marine completing equipment, cars and lorries, aircraft technical equipment, sales of licences.

In accordance with the Protocol the Soviet Union will expand the range of exported goods which now will include natural petrol, certain chemical products and deliver the first sample pellets from the Kostomuksha mining and ore-dressing plant.

Soviet imports from Finland in 1983 will equal 2,600 million to 2,700 million rubles with traditional Finnish exports remaining, as a whole, at the present high level with most of the items outstripping by far the quotas set by the trade agreement for the 1982-1985 period. In 1983, compared to 1982, an additional 100 million rubles' worth of ships will be bought. Finnish firms' construction work in the USSR will increase almost twice.

As before, machinery and equipment, foodstuffs, pulp-and-paper goods and consumer goods will loom large in Finnish exports. Soviet orders

will help increase the use of the capacities of many Finnish enterprises, now particularly important in the face of the economic crisis in the West.

In 1983, Finnish firms will continue their assistance in constructing such large-scale projects as the Kostomuksha mining and ore-dressing complex and the Svetogorsk pulp-and-paper mill, and plans are in the making to begin the construction of a railway car preparation depot at the Tosno station in the Leningrad region and a freight terminal at Sheremetyevo Airport in Moscow. It is for the first time that the section concerning services for the construction of projects in the USSR in the Protocol

for 1983 stipulates a concrete sum (380 million rubles) and lists the basic projects. This in fact confirms the stability and prospects of this form of co-operation.

At the signing of the Protocol it was stressed that cooperation between the USSR and Finland rests on a solid and reliable foundation devoid of market fluctuations. The participants also emphasized the role of this cooperation for promoting détente and consolidating peace.

N.S. Patolichev, USSR Minister of Foreign Trade, and E. Rekola, Minister of Foreign Trade of the Republic of Finland, signed the Protocol on behalf of their countries.

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## TRADE WITH INDUSTRIALIZED COUNTRIES

### TENTH SESSION OF NORWEGIAN-SOVIET COMMISSION

Moscow FOREIGN TRADE in English No 8, Aug 83 pp 10-12

[Article by Sergei Kozhevnikov and Vladimir Leushkanov: "USSR-Norway: Anniversary Session of the Intergovernmental Commission"]

[Text]

The 10th Anniversary Session of the Soviet-Norwegian Intergovernmental Commission on Economic, Industrial, Scientific and Technical Cooperation chaired by V.N. Sushkov, Deputy Foreign Trade Minister of the USSR and Chairman of the Soviet side of the Commission, was held in Moscow, April 1983. A. Skauge, Norway's Minister of Commerce and Shipping, Chairman of the Norwegian side of the Commission, led the Norwegian delegation.

The Head of the Soviet delegation read the greeting of N.A. Tikhonov, Chairman of the Council of Ministers of the USSR, to the participants of the Session where it was pointed out that the two countries' economic relations had long-standing traditions and were developing in the spirit of good-neighbourliness and mutual understanding and assurance was expressed that the further development of USSR-Norway cooperation would serve the cause of deepening détente.

Kåre Willoch, Prime Minister of Norway, in his greeting stressed the substantial contribution the Intergovernmental Commission was making to the development of mutually

beneficial economic cooperation between the two countries.

The Session widely discussed the development of Soviet-Norwegian trade. In 1982 trade turnover increased over the previous year and reached the highest level ever in the expanding mutual trade ties. On the whole Soviet-Norwegian trade turnover in 1980-1982 was characterized by a stable growth.

(mln. rubles)

	1980	1981	1982
Trade turnover	127.6	147.7	165.1
USSR export	49.0	52.1	92.9
USSR import	78.6	95.6	72.2

At the same time the sides stated that the possibility for the further development and diversification of trade was not yet fully realized, especially in machinery and equipment. Thus, in 1982 in the Soviet export to Norway the share of machinery and equipment products amounted to 7.3 per cent and that in import—13 per cent.

The sides stressed the importance of industrial cooperation and mutual completing equipment deliveries as well as joint undertakings in third

countries for expanding economic co-operation between Soviet organizations and Norwegian firms.

The Commission recognized the usefulness of the wider participation of medium and small Norwegian enterprises in trade, economic and industrial cooperation, underlining the significance of creating favourable conditions for this purpose.

Stress was placed on the necessity of studying large cooperation projects more thoroughly in the earlier stages. To this end the Sides noted the importance of elaborating a "master-plan" for conducting geological prospecting with the subsequent exploitation of oil fields on the Soviet part of the Barents Sea continental shelf. A contract on its development was signed at the Session. The Norwegian industry is already delivering supply vessels and completing equipment for work on the Soviet continental shelf.

The state and perspectives of cooperation in other areas of mutual interest were considered, in particular, the possibilities of complete power equipment deliveries for Norway's hydro-electric power stations; deliveries of sets of various metallurgical equipment; ship, fish searching and navigational equipment; information processing and control systems as well as equipment for environmental protection and the products of the agricultural machinery industry.

The Norwegian delegation informed the Commission that there was a good possibility of expanding contacts between Soviet foreign trade organizations and Norwegian firms in pulp-and-paper, mining, metallurgical, electronic, chemical and furniture industries.

Information on the state and development perspectives of trade between the USSR northern regions and Norway was read out. March 1983 saw the start of bilateral freight shipments across the Soviet-Norwegian border in the Nikel-Kirkenes region.

The Commission underlined the significance of bilateral information exchange on economic plans and programmes and the expressed increasing mutual interest in participation in fairs, exhibitions, seminars and symposia organized in both countries. Thus, in March 1983 an exhibition of Norwegian textile, clothes, footwear and sports goods was successfully held in Moscow and in June 1984 a USSR national exhibition will be held in Oslo.

The USSR-Norway industrial, scientific and technical cooperation is progressing fruitfully, in particular in civil engineering, fish searching and fish-processing equipment, computer facilities and fire-fighting means. This cooperation is being realized within the framework of the recommendations of the 9th Session of the Commission, in line with the USSR-Norway Long-Term Programme of Development of Economic and Industrial Cooperation. The Days of Soviet Industry and Technology held in Norway in 1982 definitely contributed to this development. The Sides agreed to specify the possible trends of scientific and technical cooperation in agriculture, metallurgy, environmental protection, power engineering, oil and gas production on the continental shelf.

The participants of the Session were given information about the second meeting of the Commission's standing working group on economic and industrial cooperation held in Moscow,

December 1982. The sides pointed out that the working group's activity is promoting expansion of business contacts between Soviet organizations and Norwegian firms. The working group was recommended to continue promoting stable development of Soviet-Norwegian trade and economic cooperation, primarily in machinery and equipment. Apropos of this of great importance is the coordination of talks between Soviet organizations and Norwegian industry on cooperation in exploiting the Barents Sea shelf. The working group will give priority to those cooperation projects which are promising from the point of practical realization, in particular, in the sphere of expanding industrial cooperation, completing equipment deliveries, and other forms of cooperation specified in the Long-term Programme.

In the course of the Session the

meetings of A. Skauge, Norway's Minister of Commerce and Shipping, with N.K. Baibakov, Deputy Chairman of the Council of Ministers of the USSR, Chairman of the State Planning Committee of the USSR, and G.I. Marchuk, Chairman of the USSR State Committee on Science and Technology, and also with N.S. Patolichev, USSR Foreign Trade Minister, and V.A. Dinkov, Minister of Gas Industry, were held.

The Norwegian delegation visited the Azerbaijan Soviet Socialist Republic to see the Republic's achievements in socio-economic and cultural construction. The members of the delegation visited a number of enterprises dealing with the development of the Caspian Sea shelf.

During the Session representatives from Norwegian business circles held talks with Soviet organizations.

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GENERAL

ANNIVERSARY OF FOREIGN TRADE MONOPOLY MARKED

Moscow FOREIGN TRADE in English No 4, Apr 83 pp 2-5

[Article "65th Anniversary of the Foreign Trade State Monopoly" by Gennadi Zhuravlev, first deputy foreign trade minister of the USSR]

[Text]

The USSR State Monopoly of Foreign Trade, established by a Decree of the Soviet of People's Commissars signed by Lenin, dated April 22, 1918, marks its 65th anniversary. Written in the USSR Constitution and having won international legal recognition the foreign trade state monopoly is one of the most important links in the Soviet state's economic policy and a reliable foundation of the USSR's trade, economic, scientific and technical cooperation with foreign countries.

The foreign trade monopoly is a system of a centralized management of the foreign economic activity organically inherent in the socialist social system at which direct trade operations with foreign partners are conducted by specially appointed bodies. The state appoints a range of organizations competent to undertake foreign trade operations and determines the character and scope of these operations. Within the framework of the national economic plans for the USSR's economic and social development the state sets specific, current and perspective tasks for developing the export and import of goods, establishes the order of goods exchange with foreign states and assures the observance of this order. Such a form of organization of the foreign trade activity brings about the maximum efficiency of this sector in the interests of solving the country's most important problems.

"The state foreign trade monopoly founded on firm Leninist principles reliably protects the economic and political interests of the Soviet Union and assures realization of foreign economic relations on a strictly planned basis,"—as was pointed out in the address of the CPSU

Central Committee, the Presidium of the USSR Supreme Soviet and the Council of Ministers of the USSR to the people employed in Soviet foreign trade on the occasion of the 60th anniversary of signing the Decree on nationalization of foreign trade by Lenin.

Having elaborated the theoretical foundations of the state foreign trade monopoly and the specific ways of its implementation Lenin tirelessly fought for the strictest observance of the state and plan discipline in the sphere of foreign economic relations, against any manifestations of highly departmental tendencies and localism. This principled line was reflected in a number of Lenin's works and further developed in the decisions of the Party Congresses and conferences and resolutions of the CPSU Central Committee. It was most precisely expressed in the resolution of the 12th Congress of the Russian Communist Party (Bolsheviks) held in April 1923:

"The Congress resolutely confirms the stability of the monopoly of foreign trade and considers any evasion or vacillation in its realization as inadmissible and entrusts the new Central Committee with undertaking systematic measures for strengthening and developing the system of the monopoly of foreign trade."<sup>1</sup>

The resolution of the RCP(B) Central Committee Plenary Meeting dated October 5, 1925, On Foreign Trade, which was preceded by a seven-year experience of conducting foreign trade on the basis of state monopoly is of more than passing importance. Generalization of this experience made it possible to ascertain the tasks foreign trade activity should give priority to and also the directions for reorganization of the commercial apparatus accomplished in 1925 and 1926 due to transition to the course for the country's industrialization.

The Resolution pointed out that: "...organization of the proletarian state's foreign trade due to the capitalist encirclement must be subordinated to two major aims: (a) promote and stimulate the development of the country's productive forces to the maximum, (b) protect the forming socialist economy from the capitalist countries' economic encroachment. The difficulty of the problem of organizing foreign trade was namely in that the proletarian state could not neglect these two tasks even for a single minute and, assessing the foreign situation and needs of internal socialist construction, choose the proper organizational forms of foreign trade."<sup>2</sup>

The Plenary Meeting of the RCP(B) Central Committee also defined the main directions of the reorganization: "Maintaining the inviolability of the system of the foreign trade monopoly we at the same time must adopt organizational forms of foreign trade adapting the changing economic conditions and tasks of the Union with compulsory observation of the absolute unity of all Soviet authoritative bodies functioning abroad. The changed economic conditions demand the creation of a differential commercial system in the sphere of foreign trade. The measures in this area are to be along the following lines: (a) preserve the foreign trade monopoly, (b) create a more flexible system of special trade organizations, simplify and make the trade apparatus more efficient and (c) assure industry's and agriculture's sound interests in the sphere of foreign trade."<sup>3</sup>

The Decree of the October (1925) Plenary Meeting specified the principle tenets underlying the state foreign trade monopoly of the socialist state: the requirement of compulsory preserving *absolute unity* of all Soviet organizations functioning abroad, recognition of the advantages of a *specialized foreign trade organization*, necessity of *business cooperation* between all Soviet establishments and organizations dealing with foreign trade as well as those assuring export and interested in the import. These principle tenets of the Resolution of the October (1925) Plenary Meeting of the RCP(B) Central Committee are of leading importance even now.

The principles of the USSR foreign trade state monopoly have stood the test of time. Despite changes in the organizational forms and methods of handling operations on the foreign market due to the progressive development of the Soviet economy and appearance of new tendencies in the sphere of international economic relations they, over the 65 years, created and are creating a sound foundation for business cooperation with foreign countries. Under the modern diverse forms of the USSR's foreign economic ties with foreign countries the role of the state foreign trade monopoly is ever increasing and the strict and obligatory observance of Lenin's instructions underlying its foundation becomes especially significant and necessary.

At present the socialist community countries' relations are being established on the basis of coordinating their plans of economic development, specialization and cooperation in production, implementation of the

Comprehensive Programme of socialist economic integration. Long-term specific programmes of cooperation are being realized. Such important spheres of foreign economic activity as the rendering of economic and technical assistance to the socialist and developing countries in the construction of industrial and other projects, cooperation in science and technology which previously had been subordinated to the Foreign Trade Ministry became the responsibility of independent organizations.

The role of branch ministries and industrial enterprises has increased in organizing and handling foreign trade and other types of foreign economic activity of the Soviet state. To assure well coordinated work of all constituents in the system of economic relations with foreign countries became a task of major importance.

The 24th CPSU Congress demanded elimination of the highly departmental approach from foreign economic activity. The Congress pointed out: "Foreign economic activity must be based increasingly on a combination of production and commercial functions so as to react quickly to the requirements and possibilities of the world market and to use them to the utmost in the interests of our economic development."<sup>4</sup>

The 25th CPSU Congress set a task to carry out measures for further improving the planning, management and organization of USSR foreign economic ties; to increase the role and responsibility of branch ministries and departments in developing foreign economic relations, raising production and expanding the range of export products, in assuring timely construction and commissioning of industrial enterprises and other projects being built on the basis of imported equipment; to perfect the economic stimulation of development and better the effectiveness of foreign economic relations.

The New Constitution of the USSR, adopted in 1977, confirmed the Soviet state's monopoly on foreign trade and other types of foreign economic activity. The Constitution also specified the organizational foundations of the state management of this activity as a whole.

To accomplish the tasks set by the Party Congresses of paramount importance was the determining in the Constitution as well as in the Law on the USSR Council of Ministers based on it dated July 5, 1978, of the competence of the highest executive body of state authority—the Council of Ministers of the USSR.

Simultaneously with the Law on the Council of Ministers of the USSR, on July 6, 1978, a Law on the order of concluding, implementing and denouncing international agreements of the USSR was adopted which particularly singles out the agreements on the matters of foreign trade and other types of foreign economic activity. The law specifies the order for submitting proposals to the Council of Ministers of the USSR on the matters of concluding international agreements of the Soviet Union with foreign states. It envisages, in particular, that the proposals on concluding foreign trade agreements including those on trade, economic and industrial cooperation must be submitted by the Ministry of Foreign Trade and concerning the economic cooperation and rendering of technical assistance—by the USSR State Committee for Foreign Economic Relations.

The Decree of the Presidium of the Supreme Soviet of the USSR dated September 29, 1982, adopted by the Law of the USSR dated November, 24, 1982, introduced a new Statute on Trade Representations of the USSR Abroad. The USSR Trade Representations in foreign countries are the authoritative bodies of the Union of Soviet Socialist Republics exercising the rights of the USSR abroad in the sphere of foreign trade and other types of foreign economic activity including trade, economic and industrial cooperation on the basis of the state monopoly. In those countries where there are counsellors on economic affairs of the USSR Embassies the rights of the USSR in economic cooperation and technical assistance are exercised by these counsellors.

The new Statute on Trade Representations of the USSR Abroad confirms the rights of this authoritative body to represent the USSR's interests in the residential countries on all matters concerned with foreign trade and other types of foreign economic activity, to exercise control over the activities of Soviet foreign trade and other economic organizations having the right of operating on foreign markets as well as control over these organizations' observance of USSR legislation on foreign trade and other forms of foreign economic activity.

At present USSR Trade Representations set up under international agreements concluded between the USSR and residential countries function in 85 countries. In 18 countries the USSR foreign trade interests are represented by commercial counsellors of the USSR Embassies.

Sixty years ago L.B. Krasin, People's Commissar for Foreign Trade, very precisely and justly determined the place and role of the USSR Trade Representations in foreign countries: "Neither any single body, nor one separate syndicate or trust, even the largest, can have even a hundredth fraction of that influence and these connections which our trade representations already have with all their imperfections."<sup>5</sup>

In line with the Party's directives in 1976-1979 much work for improving the planning and management of the USSR foreign economic relations was carried out. The Council of Ministers of the USSR on May 31, 1978, adopted a new Statute of the All-Union Self-Supporting Foreign Trade Associations incorporated in the system of the Ministry of Foreign Trade.

As a result of the reorganization conducted in the system of the Foreign Trade Ministry principally new foreign trade organizations were set up.

All-Union self-supporting foreign trade associations were established to undertake export and import operations as a rule, according to the branch principle in line with the existing economic management system. Within the foreign trade associations boards of directors were set up to involve a wider range of branch ministries and departments as well as large industrial enterprises and associations in foreign trade activities. These boards are composed of representatives from the Foreign Trade Ministry and relevant ministries and departments on a parity basis.

A foreign trade association's board focuses its activity on tasks concerned with fulfilling import and export five-year plans set for the association, on raising the efficiency of foreign trade operations, on suppliers' completing the plans set for deliveries of export goods, on more full utilization of a favourable goods market situation, on organizational and technical measures to increase the export of goods, expand their range, improve product quality and competitiveness and the requirements as to the quality and technical level of the imported products.

The present system of organization of the foreign trade associations' activities assures the unity of advancement of Soviet bodies and organizations on foreign markets, ties the efforts of all national economic branches and departments as well as the political and economic interests of the Soviet Union into a single knot.

In September 1982 the Presidium of the Supreme Soviet of the USSR and the Council of Ministers of the USSR adopted a plan for preparing USSR legislative acts and enactments of the USSR Government for 1983-1985. The Law on foreign trade and other types of foreign economic activity was the first among those included in the plan of normative acts.

The new Law is designed to establish the foundations of organization and conduct of foreign trade and other types of foreign economic activity, the competence and function of the state management authorities for guiding this activity. The Law will have its basis on Lenin's teaching on the state foreign trade monopoly and the 65-year experience of the USSR's external economic relations with foreign countries. The Law will place special attention on the ways and means for making the USSR's foreign economic activity most effective.

The Law should fully reflect the guidelines contained in the speech of Yu.V. Andropov, General Secretary of the CPSU Central Committee, approved at the November (1982) Plenary Meeting of the CPSU Central Committee, on strengthening the responsibility for observance of the state's and people's interests, decisively eradicating departmental tendencies and localism; accelerating the work on improving the whole sphere of economic management, i.e., the administrative, planning and economic mechanism.

The 26th CPSU Congress set a task for 1981-1985 and for the period ending in 1990 to further foreign trade, economic, scientific and technical cooperation with foreign countries, utilize rationally the advantages of the international division of labour and possibilities of foreign economic relations for raising the efficiency of social production.

In the 1970s a quantitatively and qualitatively new level in relations with foreign countries was reached in the development of USSR foreign trade. The Soviet foreign trade of this decade was characterized by a large-scale trade turnover and high and outstripping growth rates of its physical volume and it progresses steadily on an ever longer-term basis.

Over the decade USSR foreign trade turnover (in current prices) grew from 22,100 million rubles in 1970 up to 94,100 million rubles in 1980, the physical volume grew 1.9 times.

In the 11th Five-Year-Plan Period, foreign trade is successfully developing in full correspondence with the adopted directives and plans. In 1982, the USSR foreign trade turnover reached almost 120,000 million rubles, i.e., in current prices it went up by 27 per cent relative to 1980. The Soviet Union trades with 143 countries.

The socialist countries take the leading place in the USSR foreign trade. Trade with them amounted to 65,000 million rubles in 1982. In 1983 further growth of the USSR trade with the socialist countries is planned. The CPSU and the socialist countries' fraternal parties set a task for the 1980s of carrying out intensive industrial, scientific and technical cooperation between the socialist states. The Soviet Union and other socialist countries strive to achieve mutually beneficial ties in all aspects of their relations.

The 26th CPSU Congress underlined: "Life is setting us the task of supplementing coordination of our plans with coordination of economic policy as a whole. Also being put on the order of the day are such issues as aligning the structures of economic mechanisms, further extending direct ties between ministries, associations, and enterprises participating in cooperation, and establishing joint firms. Other ways of combining our efforts and resources are also possible."<sup>6</sup>

The Soviet Union attaches great importance to the development of trade and economic relations with the developing countries in Asia, Africa and Latin America on a long-term, equal and mutually beneficial basis. In 1982, trade with them amounted to 17,000 million rubles. The Soviet Union renders these countries economic and technical assistance in constructing industrial, power, agricultural and other projects on a planned basis. The USSR's foreign trade and economic, scientific and technical assistance strengthens these countries' economic and political independence and their struggle for restructuring international economic relations on a just and equal basis.

The November (1982) Plenary Meeting of the CPSU Central Committee again confirmed that the Soviet Union pursues a firm and undeviating policy for a stable peace and mutually beneficial cooperation with all states. The plans for the USSR's socio-economic development in the 1980s envisage further expansion of the steady mutually advantageous trade and scientific and technical ties with the capitalist countries interested in cooperation with

the Soviet Union. Over the two past years of the 11th Five-Year-Plan Period the USSR trade turnover with the West European industrial capitalist countries grew by 17 per cent and in 1982 reached 29,700 million rubles. Trade and economic cooperation with the FRG, Finland, France, Italy, Austria and a number of other West European countries is successfully forging ahead.

However, those negative features hindering the development of normal business, trade and economic relations of the USSR and other socialist countries with the capitalist countries cannot be neglected. The US Administration's anti-Soviet course, the "crusade" against communism declared by the US President, various economic "sanctions" and "blockades" against the socialist countries, of course, negatively affected something more than only Soviet-American trade relations. The Soviet Union cannot disregard the restrictive, protectionist measures adopted by the European Economic Community and some other countries against the socialist countries' export and import. This malpractice of restrictions in trade based on political motives affects not only the interests of those countries against which it is aimed. History repeatedly confirmed that the actions of those who hinder the development of international trade and try to make it an instrument of political pressure contradicted the interests of all states throughout the world including the interests of the very countries undertaking such measures. Sober-minded business people and political figures do not doubt the authenticity of this conclusion from lessons history taught.

Yu.V. Andropov, General Secretary of the CPSU Central Committee, in his report in the Kremlin Palace of Congresses commemorating the 60th anniversary of the formation of the USSR, pointed out that the present policy of Washington aggravated the international situation to extremely dangerous limits and stated: "We are for broad, fruitful cooperation, free from *diktat* and interference in other countries' internal affairs, among all nations of the world to their mutual advantage and the good of all mankind."

The Soviet people intensely, with inspiration and great political enthusiasm work on accomplishing the tasks set by the Party for fulfilling the USSR's socio-economic

development plans for the third year of the 11th Five-Year-Plan Period. These tasks are grandiose and responsible. They will be accomplished. People employed in foreign trade, implementing the directives of the 26th CPSU Congress, will make their important contribution to the development of the country's economy, to raising the living standard of the Soviet people.

<sup>1</sup> *CPSU in Resolutions and Decisions of Congresses, Conferences and Plenary Meetings of the Central Committee*, Politizdat, Moscow, 1970, Vol. II, p. 404 (in Russian).

<sup>2</sup> *Ibid.*, Vol. III, p. 224.

<sup>3</sup> *Ibid.*, p. 228.

<sup>4</sup> *Documents and Resolutions. The 24th CPSU Congress*, Moscow, Novosti Press Agency Publishing House, 1971, p. 74.

<sup>5</sup> L.B. Krasin, *Voprosy Vneshnei Torgovli. Mezhdunarodnye Otnoshenia* Publishing House, Moscow, 1970, p. 120 (in Russian).

<sup>6</sup> *Documents and Resolutions. The 26th CPSU Congress*, Novosti Press Agency Publishing House, Moscow, 1981, p. 12.

<sup>7</sup> *Kommunist*, Moscow, 1983, No. 1, p. 14.

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